

THE CORN BELT MEAT PRODUCERS' ASSOCIATION OF IOWA
A STUDY IN AGRICULTURAL ECONOMICS

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CHAPTER I

INTRODUCTION

Farm organizations of the early 1900's arose paradoxically, not from a period of agricultural depression but from a decade of farm prosperity.¹ These organizations did not concentrate on sweeping social change as had the Populists and Grangers of an earlier era, but rather sought piecemeal gains within the new economic system.² This is not to say that the farmers' voice of protest, first heard in the 1870's, was stilled; on the contrary, it was merely redirected.³ What was this new direction?

Hays in his book, The Response to Industrialism, has vividly described the response of the people of the United States to the drastic innovations of industrialism in post-civil war America. On the one hand, industrialism was represented by production statistics, rising standards of living, and obvious concrete changes. On the other hand,

¹Samuel P. Hays, The Response to Industrialism (Chicago: Rand McNally & Company, 1957), pp. 28-31; Theodore Saloutos, and John D. Hicks, Agricultural Discontent in the Middle West, 1900-1939 (Madison: University of Wisconsin Press, 1951), p. 30.

²Hays, op. cit., p. 30.

³Saloutos and Hicks, op. cit., p. 31.

industrialism was represented by the less obvious and more significant changes Professor Hays described. Industrialization, he noted, created a truly national economy with the accompanying impact of impersonal forces, standardization of goods, specialization of occupations, insecurity caused by economic forces beyond the control of individuals, and the rise of the acquisition of material wealth as the major goal in life. These forces brought into being a "price-and-market system" which the individual producer was unable to control or influence. The "price-and-market system" resulted in part from national marketing when prices were determined by a few buyers and the factors of national supply and demand. Unable to cope with these impersonal forces individually, businessmen, farmers and laborers soon discovered that as organized groups they could wield considerable power. Individual economic enterprise, therefore, gave way to collective effort. Producers, distributors, workers, and farmers organized in an effort to control their segment of the market.¹ The livestock producers of Iowa organized the Corn Belt Meat Producers' Association of Iowa in an effort to control their economic destiny. The purpose of this study was to analyze the aims, methods and accomplishments of the Corn Belt Meat

¹Hays, op. cit., pp. 58-63.

Producers' Association of Iowa in its effort to improve the market position of livestock producers.

At the turn of the century agriculture was faced with impersonal forces and pricing complexities which were beyond the influence of the individual. The livestock industry in particular was beset by such marketing complexities. These problems varied according to regional specialization. In Iowa they centered on cattle, sheep, and hogs. Each presented special and unique problems. However, in the preparation of livestock for market, two types of operations, breeding and feeding, were essential in all three areas of the industry.¹ Often breeding and feeding took place in different areas but sometimes both operations took place in the same area conducted by the same producer, that is, some producers "finished" their own animals for immediate slaughter.²

Beef cattle and lambs were raised in the range states of the West and sold to feeding areas in adjacent states. Hogs, for the most part, were raised in Corn Belt states and

¹Deane W. Malott and Boyce F. Martin, The Agricultural Industries (New York: McGraw-Hill Book Company, Inc., 1939), pp. 70-75.

²Ibid.

sold directly to slaughter houses; only a few were sold to feeders for further market finish.¹ However, the production of each of these animals presented unique problems and should be described in more detail.

Two types of producers characterized the beef cattle industry, feeders and breeders. The breeder produced beef cattle as well as dual purpose dairy and market cattle.² The feeder fattened two types of cattle, feeders and stockers. Feeders generally were older and heavier cattle usually weighing over seven hundred pounds. Stockers were younger and lighter, weighing under seven hundred pounds.³ The sorting of feeders or stockers occurred in the central market. The producer usually fattened the cattle on corn, cottonseed meal, or beet pulp, deriving his profit not only from the increase in weight but also from the better quality of meat produced by the feeding operation.⁴

The production of sheep was similar except that the American public's preference for lamb made the slaughter of young sheep more important than the slaughter of mature sheep.⁵

The production of pork was different from either beef cattle or lamb because the majority of the hogs produced in

¹Ibid.

²Ibid.

³Ibid.

⁴Ibid.

⁵Ibid., p. 76.

Iowa were bred in the state and shipped directly to the stock-yards and slaughtered without any additional feeding. Hogs were fattened on corn and for this reason the principal corn-producing states were the principal hog producing states.¹ Apparently some hogs were purchased to finish in some Eastern states but not in Iowa.

One further complexity of livestock production was the market. The Iowa producer did not sell to a local market but rather shipped to a distant central market, usually Chicago.²

The Chicago market was a vast complex for handling, lodging, feeding, and watering livestock during the marketing process. The livestock were transported by stock train to Chicago where the stock cars were switched into the Union Stock Yards by the Chicago Junction Railway Company which connected with all important railroads entering Chicago, and charged for each freight car hauled into the yards. The

¹Ibid.

²A. Sykes, "President's Annual Message," Joint Session of the Annual State Farmers' Institute and Corn Belt Meat Producers' Association, Eleventh Annual Iowa Yearbook of Agriculture, Part IV (Des Moines: Iowa Department of Agriculture, 1911), p. 135.

³Deane W. Malott, Problems in Agricultural Marketing (New York: McGraw-Hill Book Company, Inc., 1938), pp. 160-62.

stockyards occupied over 500 acres, of which 450 acres were paved, and contained 13,000 pens, of which 8,500 were covered.¹ The yards were owned by the Union Stock Yard and Transit Company and their principal source of income were charges for yardage, feed, bedding, loading and unloading, and special services, that is dipping, spraying, inoculations, branding, et cetera.²

The actual sale of the livestock was conducted by commission merchants to whom the producers consigned their livestock.³ The commission agency charged a fee based upon the type of livestock, size of the animals, and the number in the consignment. The most important buyers were representatives of the Chicago packing houses; others were Eastern packers, some stocker and feeder buyers, and some speculators. The commission men usually remained near the pens assigned to them while the buyers moved from point to point throughout the yard. After a sale of livestock, the commission agency figured out the return to the owner by deducting freight charges, yardage, feed, bedding charges, insurance, the commission fee, and charges for other services from the total

¹James Downing, "Market Weighing of Live Stock," Joint Session of the Annual State Farmers' Institute and Corn Belt Meat Producers' Association, Twelfth Annual Iowa Yearbook of Agriculture, Part IV (Des Moines: Iowa Department of Agriculture, 1912), pp. 160-64.

²Malott, op. cit., p. 161.

³Ibid.

receipts of the sale. The balance was remitted to the owner or his banker, ordinarily within twenty-four hours of the sale.¹

It was this market complex that faced the livestock producer in 1900. It heavily favored the packer because of the tendency of producers to seek a buyer at roughly the same time of the year. Further the producer, whose stock was in the stockyard, was hardly in a position to bargain or wait for a favorable change in price because any delay in the yard would mean increased bedding and feed costs to be deducted from total receipts.²

The prices paid in Chicago might well spell the difference between success and failure, for if prices were low then the fixed costs of production, that is loan payments, railroad tariff charges, yardage costs, et cetera, would eat up any profit. Conversely, if prices remained stable and any increase in fixed costs occurred, profits also diminished. Because of producer reliance upon a distant market, transportation costs and marketing services were a major share of the fixed costs of production.

¹Ibid.

²Fred Hamill, "The Railroad and the Stockman," Joint Session of the Annual State Farmers' Institute and Corn Belt Producers' Association, Twelfth Annual Iowa Yearbook of Agriculture, Part IV (Des Moines: Iowa Department of Agriculture, 1912), p. 187; Edward Duddy, and David Revzan, The Supply Area of the Chicago Livestock Market (Chicago: University of Chicago Press, 1931), p. 1; and Downing, loc. cit.

The meat producer, like many other Americans in 1900, seemed at the mercy of a distant and monopolistic price-market system which was beyond his control and insensitive to his needs. The seeds then of cooperative action were implicit in the marketing structure of 1900, and any discernible change within the framework of the marketing structure by the packers, commission agency, or the railroad which threatened the market position of the producer, would force some reaction by the producers. In 1904 such a change occurred, and the producers responded with collective effort.

Effective analysis of the collective action by Iowa stockmen requires an examination of the evolution of the livestock industry in Iowa as a prelude. In examining the origins and development of the Corn Belt Meat Producers' Association, this study will emphasize three major areas--rail service, railroad rates and marketing--and conclude with an assessment of the Associations accomplishments.

CHAPTER II

THE LIVESTOCK REVOLUTION IN IOWA

The shipment of livestock by rail to a central market was a significant aspect of the livestock industry in Iowa at the turn of the century, and resulted from the livestock revolution in Iowa. It was significant because it was a cost of production beyond the influence of the individual stockman. It was also significant because of its recent development during the 1880's and 90's.

When Iowa livestock producers became dependent upon transportation to a central market, they lost a measure of control of their own destiny. They became dependent upon the efficiency of others for their financial well-being. If stock cars arrived at the siding when requested and if the trip to the market was fast enough to insure minimal weight loss and safe arrival for early sale, but not so fast as to down or cripple stock, the cost of production was relatively low. However, when trains ran too fast and stock was injured or bruised or when they ran too slow and arrived too late for the market day, then costs would soar. Further, marketing costs at the central market reduced still more the profit margin of the stockman. These costs also varied,

dependent upon the efficiency and the quality of the services rendered. The cost of the marketing process then was very significant in determining success or failure for the stockman--success if costs remained low, failure or even bankruptcy if costs were higher than anticipated. Because some costs were hidden and unpredictable the shipper was never certain of success.

The transportation costs, over and above the actual cost of selling the livestock in Chicago, could be divided into two parts: the rail rates charged by the hundred weight or carload, and service costs or handling costs that were incurred in getting the stock to market in the best possible condition. Service could cost even more when measured in terms of loss or damage to stock in transit or mishandling in the market. Rail rates, just or unjust, were fixed and could be anticipated, but the costs of service were another matter. Poor service, delay enroute, poor accommodations such as dirty and slippery decks in stock cars, badly handled stock, crippled stock, and arrival at the market in such poor condition as to cause the buyers to grade the stock lower, could not be anticipated and were a source of irritation and frustration to the stockman. The shipper was greatly concerned about solving poor service problems. To relieve these problems he sought to stabilize and, if possible, to minimize

hidden service costs and make others more predictable.

At the turn of the century the difficulty of transportation and service costs of livestock shipping had been a problem only during the last decade and a half. Iowa was a fairly young state in 1900 only recently involved in the business of growing and raising livestock for sale in a distant market place. Therefore, examination of the factors which helped create the marketing complex of 1900 is appropriate.

Iowa was opened for settlement and admitted to statehood in the period 1837-1846. The early settlers were typically short of capital; their wealth consisted of a willingness to work hard. They were mostly farmers rather than stock raisers. Rarely could they afford cattle except perhaps a pair of oxen and one or two cows to supply milk for the family.¹ Those few settlers who could afford more than a few head of cattle generally utilized the natural grasses of the prairie in the summer and fed corn-fodder or hay to their stock in the winter.² Most farmers eventually used the natural vegetation to help increase their profit. The large supply of cheap land, the scarcity of capital and the

¹John A. Hopkins, Jr., Economic History of the Production of Beef Cattle in Iowa, The Iowa Journal of History and Politics, XXVI (Iowa City: The State Historical Society of Iowa, 1928), p. 86.

²Ibid., p. 87.

frontier's shortage of labor made grazing cattle on the prairie a profitable enterprise and the building of herds for income supplement a natural development. When the land began to fill up and labor substitutes were developed and utilized, the farmer evolved other types of beef production in order to compete with other producers of beef.¹

Two circumstances influenced the orderly process of settlement and stock raising in Iowa: the Civil War and the construction of railroads.

In the years following the Civil War the settlement of Iowa continued rapidly, and as more settlers came into Iowa, land values climbed and unoccupied prairie lands disappeared.² However, the course of Iowa's economic development was set before the post-Civil War migration. During the war Iowa, as did the nation, suffered a shortage of labor. This shortage acted as a stimulus for adoption of improved labor saving machinery and farm implements. The improved machinery accelerated settlement of the prairie and increased the production of grain.³ This meant the reduction of available prairie land and a tremendous increase in the amount of grain: consequently, farmers increased the production of beef and pork on cheaper grain instead of rare and expensive pasture.

¹Ibid., pp. 66-67.

²Ibid., pp. 95-97.

³Ibid., p. 93.

As grain, corn particularly, was used to fatten stock, it stimulated the production of pork to near beef production levels.

Post-Civil War America and Iowa also experienced a tremendous increase in railroad construction. The extension of the railroad into Iowa and beyond created the circumstances of the revolution in livestock production in Iowa and prepared the way for the price-market system of the early 1900's. The railroad changed the livestock business drastically, partly by providing cheaper and better transportation for livestock and partly by making it possible to ship to market grain formerly fed to cattle.¹ More important was the emergence of the country west of the Missouri River as a cattle producing region, a region with abundant free grass and adequate transportation. This region could grow cattle cheaper on prairie grass than Iowa because Iowa no longer had abundant cheap grass. The state underwent a change similar to that already experienced by states in the east, transformation from a frontier grazing region to a settled agricultural region with a major portion of the land cultivated. Iowa changed in this period from a producer of cattle from calfhood to maturity, to a finisher of cattle. The comparative cost of pasture in Iowa and the West was the reason for this shift.

¹Ibid., p. 67.

Iowa utilized grains, generally corn, to fatten small, underfed or thin western cattle, cattle brought to Iowa via the newly constructed railroad specifically for the purpose of feeding.¹ The use of corn helped broaden the base of the livestock industry in Iowa. When the production of corn became more important than use of pasture in growing livestock, the production of hogs, utilizing corn as feed to fatten the animal to finish, became a significant part of the livestock industry in Iowa. The production of hogs was generally associated with the corn belt, and as commercial corn production moved into Iowa, so did the production of hogs.

The change in the direction of the Iowa livestock industry because of transportation and production changes resulted in the development of the market oriented livestock industry of the 1900's. Gradually throughout the 1890's the process of finishing cattle and ultimately sheep became more efficient. The change meant that Iowa emerged as a great middleman in the production of livestock. The Iowa stockman became more a producer than a stock grower, because he purchased the raw material, thin grass fed western stock, and by application of a combination of feed factors he changed the

¹Ibid., p. 105.

quality and quantity of the stock and then reshipped the larger finished product. The producer incurred pre-feeding and post-feeding expenses that were not a part of the production process. These expenses, transportation and service costs, were beyond the control of the producer. Therefore, the success or failure of his feeding operation could depend upon costs unrelated to his efficiency or knowledge of the livestock business.

Poor service was primarily a question of speed, and a slow train meant less money. A slow train cost money two ways: loss of moisture in livestock, or shrink, and arrival after the day's business was over. Shrink, caused by dehydration, resulted in a loss of body weight which resulted in less money when sold. The cost of shrink in some cases was as high as \$75.00 per car.¹ If stock arrived too late for the day's business, then extra costs of bedding, feed, and whatever else was needed to keep the stock in good shape, was also assessed against the shipper and further reduced his profit margin.

Mishandled stock was another type of poor service. Stock, for example, crippled as a result of poor service,

¹H. C. Wallace, "The Corn Belt Meat Producers' Association," Annual Meeting of the Iowa Farm Bureau Federation, Twentieth Annual Yearbook of Agriculture, Part V (Des Moines: Iowa Department of Agriculture, 1920), p. 456.

constituted a considerable loss. Overcrowding in stock cars, rough train rides or insufficient help on the train sometimes resulted in downed stock. When this happened stock were trampled to death or crippled. Stock killed in transit were simply handled by the normal route of freight liability claims, and no proof of responsibility was involved. The average price of the carload was sufficient evidence of the loss. However, crippled stock were a different problem. They were sold separately and at a different price, generally about one-half of the regular market price. Loss due to a crippling injury was similar to loss due to shrink, that is, less money was paid for the stock because of some action that occurred enroute to the market place. The railroads were reluctant to admit liability to one loss for fear of opening themselves to liability for the other loss.¹

Another problem of economic loss occurred at the origin of the stock shipment. Railroad failure to supply the necessary stock cars or the right kind of stock car at the proper time was critically important, especially if any distance were involved between feed lot and rail loading facility. Because different size cars took a different rate, if a stockman ordered double deck cars for hogs or sheep, the cost of an

¹Cort Dodge Messenger, January 8, 1904, p. 5.

improperly sided single deck car cost money in terms of a higher rate. The tendency of farmers to flood the market during certain times of the year and certain times of the week did not make matters any easier for the railroad. Their problem was magnified because they were expected to supply cars all at once.¹ Honest errors certainly occurred, but whether accidental or planned, errors that cost money improved neither the shipper's position nor his disposition.

The emergence of a market oriented livestock industry in Iowa at the turn of the century that was dependent upon transportation was a development of recent origin. The stock producer became more efficient by the 1890's, but too often the cost of transportation negated whatever profit he earned. By 1900 it was apparent that success or failure for the stockman depended not only upon his own efforts but also upon factors beyond his control. Growing frustration and anger made the stockmen of Iowa ready to try some control of their destiny. Finally the frustration spilled over and the stockmen met in Des Moines to try and affect some change in the circumstances of their destiny.

¹Wallaces' Farmer, February 2, 1917, p. 134.

CHAPTER III

CORN BELT MEAT PRODUCERS' ASSOCIATION OF IOWA

It was customary at the turn of the century for railroads to furnish stockmen free passes both ways when taking their stock to market.¹ In January, 1904 the various railroads serving Iowa served notice that they intended to discontinue giving stock shippers the return pass. They charged that shippers had been abusing the privilege, because sometimes parties of three or four would accompany one section of stock. Charles Gardner of the Chicago Northwestern, indicated that in November, 1903 the railroads issued 1,300 free shippers' passes, 300 of which were not used by shippers. Because of these abuses the railroads felt it was necessary to revoke the pass privilege.² This seemingly trivial action caused an immediate reaction among the stockmen of Iowa. James J. Ryan of Fort Dodge, one of the state's leading stock feeders and long active in cooperative marketing efforts, decided to take the lead in doing something about it.

¹Fort Dodge Messenger, January 21, 1904, p. 5.

²Ibid.; H. C. Wallace, "The Corn Belt Meat Producers' Association," Annual Meeting of the Iowa Farm Bureau Federation, Twentieth Annual Yearbook of Agriculture, Part V (Des Moines: Iowa Department of Agriculture, 1920), pp. 455-62.

Securing a list of the state's cattle feeders from the ninety-nine county auditors, Ryan sent the feeders letters requesting their opinion on calling a meeting of all the state's meat producers, for the purpose of righting wrongs of the shipping interests. All except one of the more than 1,000 feeders responded, and they all approved.¹

The discontinuance of free passes brought to a head the grievances of Iowa stockmen against the railroads--the service on livestock shipments to Chicago had been growing steadily worse. Service was slower than twenty years earlier. Handling was poor and sloppy. These conditions, combined with low cattle prices that had not changed from the low reached in 1902, resulted in a mounting loss to shippers and a rise in complaints.² The announcement of the discontinuance of the return pass was the proverbial "last straw"³ which prompted Ryan's action and helped create such overwhelming support.

At Ryan's urging a meeting was held at the Kirkwood Hotel in Des Moines, January 21, 1904, with 250 meat producers in attendance. These 250 shippers controlled more than 60 per cent of the stock shipped from the state each year. Ryan indicated that he had intended to call for a

¹Port Dodge Messenger, January 3, 1904, p. 5.

²Ibid.: Hopkins, op. cit., p. 110.

³Wallaces' Farmer, February 2, 1917, p. 184.

statewide meeting for early May, but the cancellation forced his hand and the early meeting was called. In his opening address to the meeting, Ryan called for the meat producers of the state to organize. He stated: "Livestock men have suffered wrongs at the hands of both packers and railroads, but like good businessmen will fight their oppressors with their own weapons."¹ He further suggested that the purpose of such organization should be to fight the meat trust and the withdrawal of privileges by the railroads. He outlined six goals which he felt were worthy of the meat producers of the state and nation.

1. Repeal of bad laws.
2. Enactment of better laws.
3. Furnish feeders with complete statistics of the numbers of cattle on feed, and information to shippers of the estimated receipts on market days.
4. Encourage building of slaughterhouses at larger shipping points within the state.
5. Inform and help any feeder who wishes to export.
6. Patronize friendly rail lines.²

Ryan wanted all meat producers in Iowa, Minnesota, South Dakota, Nebraska, Kansas, Missouri, Illinois, and Wisconsin to unite in one "massive body." This large organization was to work for the protection of the shipper against the railroad and support the construction of independent packing plants to compete with what Ryan had termed the "meat trust."

¹ Port Dodge Messenger, January 26, 1904, p. 5.

² Register and Leader, January 22, 1904, p. 1.

It was suggested from the floor that the first plant would be constructed in Des Moines, followed by construction of plants in Omaha and Chicago. The Register and Leader reported that some members had gone so far as to talk about buying the Agar Packing plant in Des Moines. The shippers were serious and hoped to help themselves by some sort of group action.¹

Approving Ryan's recommendations, the Iowa stockmen voted unanimously to organize. They elected temporary officers: S. F. Spangler, President; Charles Goodnow, Vice-President; and J. J. Ryan, Secretary. They passed resolutions, calling for improvement of rail service to Chicago, restoration of the shipper's pass privilege and reduction of freight rates sufficient to cover losses from mishandling and delay. To implement this program, the stockmen appointed two committees, one to confer with railroad officials in Chicago; and the other to appear before the Iowa legislature. The committee to confer with the railroads was composed of S. F. Spangler of Aurora, C. Goodnow of Wall Lake and Ryan. They were to press the railroads to improve their service and to restore the return pass. It was felt that such direct action would be successful, especially if the committee represented a large number of shippers. Because the shippers

¹Ibid.

who met in Des Moines controlled 60 per cent of the stock shipped from Iowa, the committee represented considerable economic pressure. Further, Iowa shipped more stock to market than any other state. (Efforts were successful because the railroads serving Iowa agreed to restore the return pass.) The legislative committee, A. L. Ames of Buckingham, H. N. Letts of Muscatine and Frederic C. Larabee of Port Dodge, was to contact the state legislature and state the case for the shippers. No specific instructions were issued to the legislative committee. It seemed an attempt to inform the legislators of the problems facing shippers and the withdrawal of privileges by the railroads.¹

After their first taste of success the stockmen decided to "take up other matters in which their interests were at stake."² A second meeting was called for March to be held in Des Moines.³

The first regular meeting was attended by 200 to 300 stock breeders and shippers, representing every county in the state.⁴ It was decided that a permanent organization would be formed, and that it would be officially known as

¹Wallaces' Farmer, February 2, 1917, p. 184: and Wallace, loc. cit.

²Wallaces' Farmer, February 2, 1917, p. 184.

³Wallaces' Farmer, February 26, 1904, p. 286.

⁴Wallaces' Farmer, March 11, 1904, p. 367.

the Corn Belt Meat Producers' Association of Iowa.¹ A constitution was written and officers elected. The officers were: President A. L. Ames, Vice-President H. N. Letts, Secretary Jim Ryan and Treasurer Charles Goodnow. The constitution provided the best description of the aims of the organization. Article I, section 2 described the aims of the newly organized group.

The object of this association shall be to secure the enactment of state and federal laws favorable to meat producers, livestock shippers and farmers, and especially laws which will secure to its members reasonable and equitable transportation rates both within and without the state; to collect and distribute statistics to its members and in general to promote their interests.²

The direction, goals and aims of the permanent organization contained some of the ideas presented by Ryan in the January meeting, but they were certainly less specific than those called for by Ryan. However, the permanent organization was less narrow in its stated aims than first described by Ryan in his opening address in January.

Having agreed upon a constitution, the Meat Producers' turned to specific issues. Secretary Ryan urged support for the Delano Bill then before the Iowa House, and continued negotiation with the railroads serving Iowa to improve service. He also called for the establishment of packing houses to

¹Wallaces' Farmer, March 18, 1904, p. 421.

²Ibid.

compete with the "beef trust." Ryan read an invitation from the general manager of the Burlington Line, who requested the appointment of a committee to meet with the railroads in Des Moines regarding the wants of stockmen. President Ames and Frederic Larrabee agree to attend the meeting. A committee was formed to stay in Des Moines after the convention adjourned and to push for adoption of the Delano Bill. The committee was composed of Ames, Ryan, Letts, Larrabee and William Drury of Wall Lake.¹

The Delano Bill, (written by L. L. Delano of Atlantic,) provided for legalization of the free shipper's pass to and from market and established minimum average speeds of twenty miles per hour on stock trains going to market.² The Delano Bill encountered vigorous opposition from the railroads. Representatives of the five leading railroads serving Iowa--Northwestern, Burlington, Milwaukee, Illinois Central and the Rock Island--appeared before the House Committee on Railroads and Commerce and spoke against the bill.³ The railroads did not oppose the free pass provision because they had agreed earlier, after negotiation with a stockmen's committee, to its restoration. However, they were very concerned by the

¹Register and Leader, March 2, 1904, p. 1.

²Ibid., p. 2.

³Ibid.

minimum speed requirement. All railroad representatives spoke at length concerning the bill. The railroads argued that the bill was unconstitutional and faster trains were unsafe. In addition twelve stock shippers, who Ryan claimed were scalpers, or speculators and were subsidized by the railroad, spoke against the bill.¹

Several members of the Corn Belt Meat Producers', including the legislative committee, attended the hearings conducted by the House Committee on Railroads and Commerce. When the hearings opened in February, thirty to forty members of the Association had testified in favor of the bill, but the testimony was apparently unplanned and spontaneous. The legislative committee provided the testimony in March, and it was better planned. Their argument centered on delay and the cost to the shipper of shrink caused by delay. They argued that the service to Chicago in 1904 was slower than it had been twenty years earlier. They offered as a solution to their difficulties the logic of merely increasing the speed of the trains.²

The testimony of the railroad representatives centered on three points. They argued that the Delano Bill

¹Register and Leader, March 3, 1904, p. 7.

²Register and Leader, March 2, 1904, p. 2.

was unnecessary, unsafe, and unconstitutional. The general manager of the Chicago Northwestern Railroad, Charles Gardner, set the tone by testifying that only 7 per cent of the trains into Chicago in 1903 were late as opposed to 20 per cent in 1902. He also testified that much of the delay was the result of unloading difficulties in Chicago. For example, on March 1, 1904, the last train into Chicago arrived at 7:10 A.M. but was not unloaded until noon.¹ The railroad spokesmen argued that train speed was not the reason for the delay, and they explained why they opposed such an increase in speed. Delay was really the result of congestion both on the rail line and in the stockyards. The real culprits were the increase in traffic over the past twenty years and the tendency of the shippers to send stock to market on only two days per week which resulted in the bunching of stock trains. The time between trains had to be from ten to fifteen minutes. Therefore, no matter how fast trains traveled, twenty-five trains per line could not possibly get to Chicago in any faster time than four hours and ten minutes, and it would probably take closer to five hours. Further, the increased load created congestion at Chicago because the facilities at the Union Stock Yards were unable to handle the increased traffic.²

¹ Register and Leader, March 2, 1904, p. 2.

² Register and Leader, March 4, 1904, p. 4.

Railroad opposition to the bill was primarily economic. Increasing costs and lower rates made lower speeds more desirable. The rail spokesmen argued that rates were one-half of the 1882 level while wages had increased 12 per cent and coal had gone up 40 per cent. Speeds of ten to twelve miles per hour were more economical than any other speeds. Finally, the railroad representatives argued that more speed was dangerous to crews, drovers and livestock.¹

In the final evening meeting, March 3, 1904, the committee listened to arguments for and against the bill. James C. Davis, attorney for the Chicago Northwestern, and J. C. Cook, attorney for the Milwaukee, spoke against the bill. They argued the constitutional point that the Iowa Legislature could not legislate so as to control transportation in Illinois. Representative L. L. Delano of Atlantic, the author of the bill, argued that freight hauled at a fair rate in Iowa could be controlled in all capacities to its destination. Whatever the merits of the arguments, pro or con, the Delano Bill was killed in committee when action on the bill was postponed indefinitely. No record of any vote is available, but the Register and Leader reported that no more than two or three committee members favored the bill.

¹Register and Leader, March 2, 1904, p. 2.

Defeat of the bill angered the leadership of the Corn Belt Meat Producers'. James Ryan warned legislators who voted against the bill that they "might be in for some trouble."¹ The evening meeting had been held without any notification of the association. This lack of notification was especially distressing to the Corn Belt Meat Producers' who blamed the lobby for both the meeting and the ultimate defeat of the bill.² H. R. Wise, chairman of the Committee on Railroads and Commerce, retorted that the bill had been defeated because it was unconstitutional, and that the lobby charge was nonsense.³

Responding to the defeat of the Delano Bill, the legislative committee of the Corn Belt Meat Producers' wrote a substitute bill which was presented to the legislature by Representative Justin R. Doran of Ames. The Doran Bill was an attempt to compromise. It called for a seventeen mile per hour speed limit on main lines and a fifteen mile per hour limit on branch lines. The free stockmen's pass, recently returned by negotiation, which was the subject of House files 10, 243, and 266, was not a part of the bill.⁴

¹Register and Leader, March 4, 1904, p. 1.

²Register and Leader, March 4, 1904, p. 1.

³Register and Leader, April 4, 1904, p. 6.

⁴Register and Leader, March 4, 1904, p. 1.

The legislative committee was afraid the bill would not be presented soon enough for the legislators to act upon it even though the railroads indicated no fear of the Doran Bill.¹ They were correct. The legislature adjourned before any consideration of the Doran Bill could be accomplished.

The aim of the Doran Bill was the same as the Delano Bill--improvement of service, that is, to end service delay by enforced minimum speed limits. But a more basic and larger issue emerged from the struggle between the railroads and the newly organized stockmen. This issue was the effort of the stockmen and shippers to improve their economic position within the framework of the existing impersonal price-market system. The individual shippers had been frustrated prior to 1904 in their efforts to improve service and influence the economic decisions of the railroads. The shippers sought help from various sources but were largely unsuccessful. In final frustration at the seemingly minor but arbitrary action of the railroads, the shippers sought collective pressure as a means of achieving economic equality with the railroads and some measure of control of the impersonal price-market system. The real significance then was not the achievement of a specific goal or correction of

¹Register and Leader, March 5, 1904, p. 4.

any alleged abuse but rather the joint action to achieve and correct the abuse. The significance of the joint effort was the recognition of the realities of a national market and the effort to control the market place. The weapon used in this effort was the economic muscle of collective action applied directly at the market place and in the political arena. The initial pressure at the market place was the pressure directed toward the railroads to return the shippers' pass. It was successful. Other efforts met with varying degrees of success. In the political arena initial lack of success was more the result of misplaced action rather than outright failure. To speed-up slow service the shippers sought legislative compulsion, minimum speed limits, as a solution. This straight-forward, direct assault failed to recognize the complexities of the livestock market.

In March, 1904, House File 266, the so-called Stock Shippers Bill, was passed with little difficulty. The bill provided legislative support for the return railroad pass, already a reality, because it had been agreed to by the railroad before passage.¹ In April, 1904, the railroads indicated

¹Register and Leader, March 19, 1904, p. 2.

the return pass, negotiated earlier and the subject of recent legislation, would apply only on intrastate shipments of stock. This action angered and disappointed the stock shippers of Iowa, who had assumed that the pass would apply on interstate shipments to Chicago. The Corn Belt Meat Producers' charged that the railroads were not keeping faith with the legislature or the Association. Secretary Ryan reported that the Meat Producers' would start circulating petitions in every county of Iowa requesting Governor Cummins to call a special session of the legislature.¹ At this point several others got involved in the return pass controversy. First the Iowa Railroad Commissioners indicated they would go to Chicago to see if they could settle the difference between the Corn Belt Meat Producers' and the railroads. Further, Governor Cummins was reported to be sympathetic with the aims of the stockmen.² In addition the Meat Producers' were represented in Chicago by their own officers. Whatever the case, on April 26, 1904, the railroads serving Iowa announced they would give stock shippers the return pass on all shipments.

Everybody claimed credit for the victory. Henry C. Wallace, a leader in the Corn Belt Meat Producers' and a

¹ Register and Leader, April 21, 1904, p. 1.

² Register and Leader, April 22, 1904, p. 2.

leading agricultural journalist, attacked the railroad commissioners' claims of responsibility as glory seeking.¹ What prompted the railroad action is not entirely clear. Whether the initial restriction on the return pass was an error or an overt attempt to test the strength of the Corn Belt Meat Producers' is not clear; however, the ease with which the restriction was lifted suggests one of the two. Another significant point was that the Corn Belt Meat Producers' were emerging as a potential political force or at least their numbers were politically appealing. A story in the Des Moines Register and Leader, May 10, 1904, reported that the pass limitations had been lifted by the railroads to prevent Governor Cummins from making political capital of the issue. Reportedly J. W. Blythe, attorney for the Burlington, leader of the standpatters, and a conservative foe of Cummins, was instrumental in rescinding the limitation.² The story was repeated in the May 18, 1904, Des Moines paper.³ The attitude of the stock shippers on an issue seemed to have some significance; the value of numbers and the strength of organization had some impact. Seemingly the railroad recognized the existence of the Corn Belt Meat Producers' and the

¹Register and Leader, May 1, 1904, p. 3.

²Register and Leader, May 10, 1904, p. 1.

³Register and Leader, May 18, 1904, p. 1.

strength of the organization seems beyond question.

The Corn Belt Meat Producers' Association of Iowa was organized in an attempt to solve some of the problems which faced the livestock producer marketing livestock in the national market in 1904. Formed in the face of the frustration felt by the individual producer, it was composed of most of Iowa's livestock producers. It represented wealth, success and power. The Corn Belt Meat Producers' was not an association of the dispossessed, landless or the forgotten of American agriculture. On the contrary, it represented the most successful of Iowa agriculturalists. They were economically conservative, and their effort represents an effort to improve their position at the market place. They sought no radical solutions to their problems but rather sought to influence the economic system to their own benefit. The Corn Belt Meat Producers' existed for twenty-nine years and gradually faded away. Four distinct stages of its existence emerged from a close study of the organization. The first stage was the early period of expansion. During this period of growth, 1904-1908, the organization attempted to influence state legislation, and it directed its action to state problems. The period 1909-1915 represented the time of maximum growth and maturity. During these years the association turned its attention to national problems and enjoyed moderate

success. The war years, 1916-1919, were years of quiet because of the federal control of railroads, the closure of the ICC offices, the increase in foreign markets and the increase in revenue. The Corn Belt Meat Producers', like much of America, felt compelled to show support for the war effort; consequently, little if any criticism of the economic picture was voiced. The years following the World War, 1920-1933, were years of decline. The growth of national organizations and their success seemed to make the Corn Belt Meat Producers' outmoded. Its membership continued to decline and finally the organization simply faded away.

The importance of the association is linked to two things--the economic significance of the livestock industry in Iowa during the early 1900's, and the importance of the Iowa livestock industry within the framework of the Chicago market. The livestock industry in Iowa represented over 60 per cent of the value of the cash received from all Iowa agriculture, and more than half of all livestock received in the Chicago Union Stock Yards came from Iowa.¹ The Corn Belt Meat Producers' represented a clear majority of all livestock producers in Iowa, which meant they represented control of the major share of money made from agriculture in Iowa. The Association represented a clear effort of

¹Wallace, loc. cit.

producers to affect or influence their economic destiny. They attempted to influence legislation, gain state and federal rulings in intra and interstate commerce which would aid their market condition, and they negotiated compromise directly with carriers and the market place to affect their destiny.

They enjoyed success in achieving those clearly articulated objectives, but in terms of the more generalized and less concrete, vague goals, they enjoyed less success. The successes they experienced occurred in pre-1917 America. They were not very successful in the post-war years of the 20's when survival was their prime goal.

The decline and disappearance of the Corn Belt Meat Producers' was gradual and occurred in the years 1920 to 1933. The decline of the Corn Belt Meat Producers' coincided with the expansion and growth of another farm producers' organization, the Farm Bureau Federation. The main difference in the organization of these two associations was that the Corn Belt Meat Producers' was a state organization, and the Farm Bureau Federation was a federation of state organizations. It would be easier for a national organization to mobilize pressure to solve national problems. Oddly, the Corn Belt Meat Producers', although it was a state organization, usually directed its attention to problems of national

marketing. Because of this the local issues of production--breeding, feeding and scientific management--were largely unanswered. The result was that specialized organization, such as the Swine Growers' Association, emerged to deal with the specialized questions of production. What seems to have happened then was that a score of organizations, each specialized and all performing a part of the role formerly played by the Corn Belt Meat Producers' and all performing their specialties better than the Meat Producers', emerged. As a result the organization faded away.

No study of the Corn Belt Meat Producers' has ever been done. Apart from a mention here and there, no real information exists. The purpose of this study is to describe the efforts of the Corn Belt Meat Producers' in solving the problems faced by the livestock producers' in the pre-war years in Iowa and the nation. Further, this study is an attempt to fill the gap regarding the history of the organization.

During the course of a decade and a half the Corn Belt Meat Producers' addressed themselves to the primary problems facing the stockmen of Iowa. The problems were service, railroad rates and marketing. The association attempted to solve problems by conference, compromise,

legislative pressure, and petitions to federal and state agencies. These solutions were in intra and interstate commerce and in negotiations between shippers and railroads and between stockmen and packer. They were efforts to influence the market place within the framework of the market concept. It is this recognition of the problems which beset the stockmen and their effort to find solutions within the framework of the existing economic system which makes the Corn Belt Meat Producers' significant in the annals of the progressive era. The next three chapters will deal with the efforts of the organization to solve the problems of the livestock producers.

CHAPTER IV

THE PROBLEM OF SERVICE

The transportation of livestock to market was costly to the shipper in two ways: rail rates and service costs. The cost and significance of rail rates will be dealt with in the next chapter. Service costs were the result of error, accident, carelessness or omission. Service costs were rarely standardized or fixed and were not often anticipated. They were generally individualized and hence created little notice until they were wide-spread. The most common service problems were delay and mishandling.

Delay to market was the result of either a slow train or congestion at the unloading chutes and pens in the Chicago Union Stock Yards. Train speed depended upon a variety of factors, either economics or traffic congestion from the Iowa shipping points to Chicago. Congestion in the Union Stock Yards resulted from too many shippers for the facilities available. It also resulted from the increase in the numbers of shippers and the tendency of shippers to market their livestock on Monday and Wednesday.

Delay cost the shipper money either in shrink or dehydration, or in extra costs for bedding and feed if the

market day were missed. In exceptional cases if the delay was especially severe, and if the stock arrived bedraggled and poor appearing, they were down-graded by the buyers. These costs reduced the profit of the shipper and were especially disappointing because they were never planned or anticipated.

Consignment of stock cars was also a cause of delay. If the railroad failed to side a car when requested, then the shipper missed a market day. But, more serious, if the delay was lengthy, the livestock continued to consume feed, costing more money but not adding materially to the finish quality of the animal. However, if the railroad sided the wrong kind or size of car, the shipper might face a serious increase in rates. For example, if a single deck car was sent instead of double deck or a longer car than requested, then higher freight rates were charged.

Mishandling in transit, although not as frequent, was just as unexpected and sometimes as costly as delay. A too fast or too rough train ride could cripple or kill stock by downing, that is, knocking them off their feet, and they would be stepped on and trampled. If the train was especially rough and very dirty, the stock could arrive at the market so bedraggled and poor looking that the buyers would not pay prime meat prices and judge it to be poorer

than it was. Mishandling in the stock yards was also costly. No feed or water or food and water that was inadequate or impure would intensify the adversity of shrink rather than reverse it.

The cause of poor service was often error or carelessness, but it was also the result of the size of the growing shipper industry and its dependence upon a distant market.

Regardless of the cause, the prime shipper complaint was simply poor service; and poor service cost money. Poor service was a strong impetus for the stockmen to organize the Corn Belt Meat Producers' Association. The shippers were unable to affect any solution individually, but collectively, their voice was heard. The Corn Belt Meat Producers' functioned as the collective voice of Iowa stock shippers and sought to remedy the problems of unsatisfactory and poor service in a variety of ways. Service had steadily deteriorated through 1902 and 1903. Despite high rates, the stockman's biggest complaint in 1904 was poor service. In the first year of its existence the Corn Belt Meat Producers' spent much of its time and effort trying to improve service.¹

During May, 1904, shippers, railroad representatives and representatives of the Union stock yards met to formulate

¹Wallaces' Farmer, June 16, 1905, p. 731.

some plans to improve service. The meeting was harmonious and relations better than they had been for some time.¹ Such meetings were conducted throughout the summer of 1904. By August service had improved two to three hours on trains to Chicago.² The main concern of service was time and its effect on shrink, that is, reduced weight caused by dehydration. H. C. Wallace estimated that shrink cost the shipper between \$25.00 and \$75.00 per car in 1904.³ The Corn Belt Meat Producers' sought to reduce this cost, and they enjoyed moderate success--success which was the result of conference and compromise.

Since the most common complaint was slow service, increasing the speed of the train seemed the obvious solution. In March of 1873 Congress had passed the twenty-eight hour law attempting to solve the problem of shrink caused by too many hours in a freight car, or slow service. This law required that stock in transit after twenty-eight hours, be unloaded, fed, watered, and rested for five hours before continuing to market.⁴ It was assumed that adherence to the law

¹ Register and Leader, May 30, 1904, p. 1.

² Register and Leader, August 31, 1904, p. 1.

³ Register and Leader, April 19, 1904, p. 7.

⁴ John A. Hopkins, Jr., Economic History of the Production of Beef Cattle in Iowa (Iowa City: The State Historical Society of Iowa, 1928), pp. 171-72.

would solve the shrink problem. However, by 1904 the law was no longer enforced. Early in 1904 Representative L. L. Delano presented a bill to the Iowa legislature which set minimum speed limits as a solution to the problem of delay. As indicated in Chapter III, the bill failed as did its substitute offered by Justin R. Doran. In the face of these failures it seemed natural that if the twenty-eight hour law was enforced, much of the difficulty of delay, that is shrink, would be solved. According to the President of the Corn Belt Meat Producers', national livestock organizations, including the Corn Belt Meat Producers', began to demand enforcement of the law by the Department of Agriculture in 1905. At this time the Secretary of Agriculture began prosecutions of violators of the twenty-eight hour law.¹ But obedience of the law was not that simple. The pens for handling the five hour stop, required by the law, had long since been torn down, and the railroads could not comply with the law.² In 1906 a compromise was worked out by Congress between the railroads and the livestock shippers. The railroads wanted the twenty-eight hour limits extended

¹A. Sykes, "President's Annual Message," Joint Session of the Annual State Farmers' Institute and Corn Belt Meat Producers' Association, Twelfth Annual Iowa Yearbook of Agriculture, Part IV (Des Moines: Iowa Department of Agriculture, 1912), p. 124.

²Hopkins, loc. cit.

to thirty-six hours. Modification by Congressional Amendment of the 1873 law provided that shippers could give the carrier written consent that stock could be in transit longer than twenty-eight hours but no longer than thirty-six hours.¹ The law still required that a five hour rest be obeyed when the stock were in transit longer than thirty-six hours. This compromise established clear speed minimums, not in miles per hour, but in time limitations. They were admittedly pretty slow, but they were limitations nonetheless.

Slow service, despite the agreement of 1906, remained a serious problem. In 1909, after two years of worsening service, the Corn Belt Meat Producers' resolved in their convention to request Congress for enactment of a minimum speed bill requiring eighteen miles per hour as the minimum average speed on all stock trains.² The Corn Belt Meat Producers' requested its members to furnish the association with information regarding late trains to provide testimony for legislation.³ The request in convention received very limited very

¹Wallaces' Farmer, February 16, 1906, p. 231.

²Wallaces' Farmer, December 17, 1909, p. 1651.

³A. Sykes, "President's Annual Message," Joint Session of the Annual State Farmers' Institute and Corn Belt Meat Producers' Association, Tenth Annual Iowa Yearbook of Agriculture, Part IV (Des Moines: Iowa Department of Agriculture, 1910), p. 108.

limited response; therefore, negotiation between the railroads and the Corn Belt Meat Producers' was commenced in 1911.¹ In opposing the Delano Bill the railroads had argued that the chief cause of delay was not the speed of the trains but rather the congestion at the Union Stock Yards.² Therefore, both packer and stockyard representatives were included in the negotiations, as they had been in the summer of 1904. In order to end the congestion in the yards, a plan was advanced to develop a five day a week market which would avoid the evil of flooding the market on Monday and Wednesday.³ The plan was voluntary; however, it was generally unsuccessful because few shippers were willing to change their shipping habits. Whatever the case the Corn Belt Meat Producers' tried to solve a problem by action in the legislature, and when unsuccessful, they turned to negotiation and compromise.

Some categories of problems were not likely to be solved in the Iowa legislature or Congress, and compromise was the obvious answer. Problems of service in the Chicago

¹Sykes, Twelfth Annual Yearbook of Agriculture, loc. cit.

²Register and Leader, March 2, 1904, p. 2.

³Wallaces' Farmer, February 28, 1913, p. 384.

Union Stock Yards were beyond the power of the Iowa Legislature and required negotiations with Stock Yard representatives.

The problem of stock shrink, primarily a problem of slow trains, was further complicated by conditions in the stockyards. When stock arrived in the yards, it was fed, watered and placed in pens. This care generally replaced some of the shrink which had occurred in transit. But stock generally refused water when they were unloaded, and little moisture was replaced. The reason for this refusal to drink was that the so-called Bubbly Creek water used in the yards was sewage water. The stock refused to drink it, and the shippers lost money because shrink was not reduced. In the spring of 1910 officers of the Corn Belt Meat Producers', by negotiation, were able to get the water used in the stockyards changed to lake water.¹ This change in water reduced the shrink about 25 per cent which resulted in a savings of approximately \$15.00 to \$25.00 per stock car.² This gain, tangible and concrete, was not spectacular, but was effective. Had an individual shipper attempted to get the water

¹A. Sykes, "Annual Report," Joint Session of The Annual State Farmers' Institute and Corn Belt Meat Producers' Association, Eleventh Annual Iowa Yearbook of Agriculture, Part IV (Des Moines: Iowa Department of Agriculture, 1911), pp. 133-34.

²Wallaces' Farmer, December 23, 1910, p. 1743.

changed he would doubtless have had little success, but the collective voice of all shippers heard through the Corn Belt Meat Producers' was very effective in working a change which benefitted the shippers.

As a general rule the Corn Belt Meat Producers' was concerned with the practical problems of the shippers. These problems were a normal part of the whole transportation aspect of the marketing process. They were rarely spectacular, but they were always annoying and often costly to the individual shipper. They were problems of stock car delivery and problems of stock car substitution, as trying for the railroad as for the shipper. In the early 1900's stock cars were of various lengths and sizes. The freight rate varied according to the size and weight of the car. If a shipper wanted to ship 19,000 pounds of cattle or 15,000 pounds of hogs, he ordered a thirty-one foot stock car.¹ If the railroad, because of heavy traffic demands, was forced to side a thirty-six foot stock car with different and higher minimum weight rates, then the shipper had a higher freight bill. In 1904, as a result of Corn Belt Meat Producers' negotiation, the nine railroads serving Iowa made a major concession to the shippers. These concessions were also advantageous to the railroads because they were not pressed to furnish a

¹Wallaces' Farmer, September 22, 1911, p. 1200.

specific car to a shipper but could send any available car whenever one was ordered. The concession provided that if a larger car was furnished to fill an order for a smaller car, then the smaller minimum rate would be charged.¹ The Association also negotiated the right for the shipper to mix loads of sheep and hogs when a full car load of one kind of stock was not available.² The role of the Corn Belt Meat Producers', then, was to function for all shippers, to give them a common voice, and to help the railroad and the stockyards solve common problems which might have created serious difficulty had they continued to annoy and aggravate the shipper. Often the Corn Belt Meat Producers' helped in the operation of the railroads and the stockyards by serving in such a capacity. In 1907, for example, in order to simplify collection of damage and loss claims, the Association made an agreement with a Des Moines attorney, W. C. Strock, whereby he agreed to collect all claims of members that could be collected without legal action for a 15 per cent fee. If suit was brought, then the fee would be determined by the claimant and Strock. This simplified the claims problem for

¹Register and Leader, February 6, 1905, p. 5.

²Sykes, Twelfth Annual Yearbook of Agriculture,
loc. cit.

the railroad and made more uniform payment of claims possible.¹ Liability claims, always a source of difficulty, were made less abrasive and easier for shippers and railroads. Finally, in March of 1920, the Association, in cooperation with the Iowa Farm Bureau Federation, hired a representative, C. L. Harlan, to look after shipper interests in Chicago.²

Actions such as these were not dramatic. They were not settled with a stirring speech before a legislative body nor did they create many headlines. But they did help solve some of the problems of the shipper. The railroads, the stockyards and the packers, listened to the shippers because they spoke with one voice, and that voice was the Corn Belt Meat Producers' Association.

The Corn Belt Meat Producers' used legislative pressure, and compromise to affect changes in unsatisfactory service. The Association sought no change in the marketing structure but sought improvement within the structure of the existing economic system. In that sense the Corn Belt Meat Producers' was a conservative organization, seeking to make the economic system more efficient through legal change or institutional pressure.

¹Bykes, Eleventh Annual Yearbook of Agriculture, op. cit., p. 126.

²A. Bykes, "President's Annual Message," Annual Meeting of the Corn Belt Meat Producers' Association of Iowa, Twentieth Annual Yearbook of Agriculture, Part VIII (Des Moines: Iowa Department of Agriculture, 1920), p. 510.

CHAPTER V

RAILROAD RATES

Production is often described as the creation of utility. The livestock producer had a particular interest in two distinct kinds of utility, time and place. Selling livestock required that stock be at a certain place at a certain time; transportation then was a vital part of livestock production. The efficiency of such transportation was the subject of the preceding chapter. The cost of such transportation was also very important because it could be measured exactly in terms of dollars and cents prior to transit activity. Railroad rates, then as now, are figured in terms of the type of freight to be moved plus its destination and weight. There are three types of rates--class rates, exceptions to classification, and commodity rates. Class rates are designations by the railroad of the cost to haul every type of freight and are considered the base rates. Class rates are divided into classes: these are first, second, third, and fourth classes and sometimes more, each classified by weight, durability, destination and cost. Exceptions to classification are simply that: exceptions, because of some characteristic that makes it cheaper for

the railroad to haul. For example, a paper covered mattress would carry a certain class rate, depending upon the cost to haul it. A cardboard covered mattress would be an exception to classification because its chance of damage would be less, hence it would be cheaper to haul. Most exceptions to classification are less than class rates. Commodity rates are reductions resulting from competition and the railroad effort to solicit business.

Rates are figured on carload, and less than carload, or LCL, totals. Both car and LCL freight move on all three types of freight rates. However, 90 per cent or more of the carload freight moves on commodity rates, and 99 per cent of LCL freight moves on class rates.¹ Therefore the larger shipper usually pays a smaller per weight mile shipping rate.

Contrary to popular belief, rail rates in the early 1900's were not the result of capricious or arbitrary railroad management. Naturally the primary consideration in establishing rates was to have them high enough to cover the cost of the service performed. But, at the same time, rates were hopefully low enough to stimulate industry and commerce and encourage the widest movement of traffic. Further, railroads had to be cognizant of other railroads and transportation facilities. Local competitive relationships had to be

¹John W. Stover, American Railroads (Chicago: The University of Chicago Press, 1961), pp. 119-25.

observed.¹

Railroad regulation in interstate commerce was achieved in 1887 with passage of the Interstate Commerce Act. Regulation was later strengthened during the early years of the twentieth century, primarily by amendments to the 1887 law, such as the Elkins Act of 1903, the Hepburn Act of 1906, and the Mann-Elkins Act of 1910. Rail rates today are carefully regulated by federal agency, so much so that few other consumers have as much to say about pricing as shippers under existing ICC regulations.

Livestock tariff schedules from central Iowa points to Chicago remained quite stable from 1889 through 1910.² It would therefore seem unlikely that rail rates would be an issue during the formative years of the Corn Belt Meat Producers' Association. However, in order to maintain competitive relationships in certain areas, railroads periodically made revisions of rates. These revisions caused reactions among some shippers. Such was the case in August, 1904, when the issue of rate advances and changes was raised by the executive committee of the Cattle Growers' Interstate

¹ Ibid.

² John A. Hopkins, Jr., Economic History of the Production of Beef Cattle in Iowa (Iowa City: The State Historical Society of Iowa, 1928), pp. 175-76.

Association. This organization, formed by cattle growers in twelve Western states to fight high rail rates, contacted the Corn Belt Meat Producers' with regard to what they described as rate juggling. They claimed that railroad rates had increased 57 per cent since 1897 as a result of rate juggling. Rates were directly raised by changing to a higher class within the class rate tariff or by changing from a commodity to a class rate. According to the Cattle Growers' Interstate, the average railroad rate per ton of freight was twelve and three-fourths cents more in April of 1904 than it had been in June of 1899. This meant an increase in revenue of \$155,475,502 per fiscal year. In all fairness, the Cattle Growers' were exaggerating. On the one hand they accused the railroads of raising national rates, but on the other hand, they used Western cattle returns as a base to prove their allegations. Western rates certainly had risen and this rise rather than the cattle returns should have been their point. No effort was made to enlist the support of the Corn Belt Meat Producers' in any campaign: instead the Cattle Growers' seemed content only to warn them of the rate problem.¹

All of the above facts point up the fact that although rates were stable nationally during the early years of the

¹Register and Leader, August 31, 1904, p. 1.

1900's, certain areas and types of freight experienced significant changes. As railroads adjusted rates to observe changes in local competitive relationships, the shipper perceived only the raised rate and not the reason. Eventually as rates were changed, certain tariff zones and areas emerged with rate schedules different than others. Certain types of freight paid different rates than others, and what seemed like a pattern of discrimination developed. It was such discrimination that raised the ire of the Cattle Growers' Interstate, but they mistakenly argued the question of high rates rather than the question of discrimination. Ironically, it was the railroads which inadvertently raised the question of discrimination, and not the shippers.

Charges of high freight rates had been made by Iowa shippers, especially livestock shippers, since before the turn of the century. Gradually the relativity of freight rates was recognized, and comparisons of Iowa rates were made with rates in surrounding states. Consequently, the charge of discrimination emerged as the major issue.

In an effort to defeat Governor Bob LaFollette, seeking re-election in 1904, the Wisconsin railroads published a pamphlet called The Truth About Wisconsin Freight Rates. This pamphlet argued that Iowa freight rates were higher than rates in Wisconsin and that Governor LaFollette was using the freight rates of Wisconsin as a scapegoat and

the railroads as a whipping boy in order to get re-elected. The pamphlet also argued that the good condition of Wisconsin's industrial development was the result of these lower rates. The higher Iowa rates, the pamphlet stated, were the result of government rate setting and had discouraged Iowa's industrial and manufacturing development. The implication was clear; a vote for LaFollette was a vote for government established high rail rates and vanishing industry. Governor LaFollette countered with the charge that the railroads had punished Iowa by raising rates because Iowa had adopted the railroad commission system.¹ The intended defeat of Governor LaFollette failed, and he was re-elected easily.

Iowans were also talking about rate discrimination, and the Wisconsin pamphlet was more fuel for the fire. In 1905, the executive committee of the Corn Belt Meat Producers' began investigations of station rates from Iowa points to Chicago, and they concluded that Iowa rates were higher than surrounding states on comparable distance.² The charges of discrimination increased through 1905 and 1906.

¹ Register and Leader, January 6, 1905, p. 1.

² H. C. Wallace, "The Corn Belt Meat Producers' Association," Annual Meeting of the Iowa Farm Bureau Federation, Twentieth Annual Yearbook of Agriculture, Part V (Des Moines: Iowa Department of Agriculture, 1920), p. 456.

Senator Stephen B. Elkins of West Virginia, Chairman of the Senate Committee on Interstate Commerce, announced that hearings would begin the 28th of April, 1905, on a new rate bill.¹ Among the witnesses appearing before the committee was Governor A. B. Cummins who accused the railroads of discriminating against Iowa. He charged that Iowa railroads received higher profit and charged higher rates than those serving the surrounding states.²

Discrimination in the rates of certain commodities also came under scrutiny. The commodity rate from Iowa to Chicago for live cattle and hogs in 1905 averaged twenty-three and one-half cents per hundred weight, while dressed beef averaged eighteen and one-half cents. These figures, however, do not reveal the full extent of the discrimination. The packers received a rebate of one cent per mile each way for use of the refrigeration car, while the shipper paid an additional two dollar terminal fee per car in the stockyard. Willaces' Farmer argued that an ordinary load of dressed beef which weighed 20,000 pounds and was shipped 500 miles yielded about twenty-seven dollars in revenue to the railroad, while an ordinary load of live cattle which weighed

¹ Register and Leader, April 17, 1905, p. 1.

² Register and Leader, May 12, 1905, p. 2.

23,000 pounds and was shipped 500 miles cost the farmer fifty-three dollars and five cents. With the terminal fee this amounted to fifty-five dollars and five cents. Since the actual cost to the railroad of the service rendered was about the same in each case, a refrigeration car weighing about 9,000 pounds more than an empty cattle car, the Iowa shipper felt he was being badly discriminated against to the tune of about \$1,000,000 per annum.¹ The point was obvious, if eighteen and one-half cents was just, then twenty-three and one-half cents was extortion. They must either raise the rate on dressed beef or lower the rate on live cattle and hogs. Wallaces' Farmer also charged that railroad rates had risen in the last twenty years and that Iowa in particular was discriminated against.²

Growing dissatisfaction with railroad rates marked shipper feelings throughout 1905. Gradually this dissatisfaction was translated into action. First, mild pressure was directed to Congress, and finally petitions were filed with the State Board of Railroad Commissioners and the Interstate Commerce Commission.

¹Wallaces' Farmer, May 12, 1905, p. 654.

²Wallaces' Farmer, May 26, 1905, p. 707.

In February, 1906, the Corn Belt Meat Producers' announced their support for the Hepburn Bill and called upon Iowa Congressmen and Senators to vote for the bill then before the Congress.¹ More significantly, in conjunction with the American National Live Stock Association, they hired Judge H. L. Cowan, attorney for the National Live Association, as a lobbyist. According to Wallaces' Farmer, ". . . he (Cowan) exercised a greater influence in securing the . . . railroad rate bill than anyone other than T.R."² Passage of the bill was important to the Association because it allowed the ICC to determine just and reasonable maximum rates upon complaint. Justice to the Association apparently meant an end to discrimination between state rates.

The Corn Belt Meat Producers' also sought to reform state rates. Throughout 1906 they gathered evidence and data showing discrimination to present to the Iowa Board of Railroad Commissioners. To accomplish this task, the Association had hired Clifford Thorne, a young attorney, to represent the group.³ The Corn Belt Meat Producers' sought

¹Register and Leader, February 7, 1906, p. 1.

²Wallaces' Farmer, December 21, 1906, p. 1524.

³Wallace, op. cit., p. 458.

data of discrimination within the state, on rates of livestock with special reference to cattle, sheep, horses and mules. Early in 1907 after they had collected sufficient data, the Corn Belt Meat Producers' filed a petition for rate reduction before the Iowa Board of Railroad Commissioners. The petition, submitted by Clifford Thorne, named nine railroads doing business in Iowa as defendants: the Burlington, Milwaukee, Chicago Northwestern, Rock Island, Illinois Central, Chicago Greatwestern, Minneapolis and St. Louis, Iowa Central and the Wabash.¹ The petition alleged that the average railroad rate in Iowa yielded 25 per cent higher revenue than the average in Wisconsin and 46 per cent higher than in Illinois. Clifford Thorne presented witnesses to this effect and further alleged that the average rail revenue per ton mile was 30 per cent higher in Iowa than in the rest of the nation and more than 30 per cent higher than in the group VI classification of states. Based on similarities of freight and distance, group VI included Wisconsin, Minnesota, Illinois, Iowa, northern Missouri, and the eastern Dakotas. Thorne further charged that there had been no reduction in the livestock rates in seventeen years, and that during these years net

¹ Thirtieth annual report of the Board of Railroad Commissioners for the year ending June 30, 1907 (Des Moines: State of Iowa, 1908), pp. 338-39.

earnings on Iowa railroads had more than doubled.¹ Thorne then rested the case with the stipulation that he could call more witnesses later.

The railroad attorneys requested a delay until such time as they could review the petition of the Corn Belt Meat Producers', prepare arguments and gather evidence for their side of the case. The commissioners granted a delay until March 6, 1907.² When the hearings resumed, the attorneys for the railroads argued that the cost of running a railroad had increased during the last seventeen years, but they did not present data or refute the arguments and statistics presented in the Corn Belt Meat Producers' petition. They maintained that the rates in Iowa were unreasonably low and should not be reduced. The essence of the railroad argument contended that all rail rates were too low; Iowa rates simply were not as unfair to the railroads as other rates in the group VI states or the nation.

The board of Railroad Commissioners were not swayed by the railroad arguments. They agreed that it was more expensive to run a railroad in 1907 than ever before. But in the interest of justice they felt that rate readjustment was necessary. The commissioners, apparently impressed by Thorne's argument, utilized the Illinois Tariff Schedule as

¹ibid.

²ibid., pp. 340-42.

the base for the readjustment. Illinois had held exhaustive hearings in 1906 on the question of intrastate rates and had issued a new Tariff Schedule. The Iowa commissioners adopted the Illinois rate system, adding a 5 per cent differential for the Iowa competitive structure. The new rates lowered all livestock rates approximately 18 per cent except those on hogs which had been approximately the same as the Illinois schedule and were therefore left unchanged.¹ The savings to Iowa Stock shippers was significant. The Corn Belt Meat Producers' conducted an aggressive, careful presentation of the stockmen's case, and rates adjudged unfair and discriminatory were reduced. This success was encouraging because it showed the need for the organization's existence. It was clear proof that the shipper's voice was being heard and proof also of the virtue and worth of organization. This attempt did not end the efforts of the Association, on the contrary it spurred them on to greater efforts.

In November, 1907, the Corn Belt Meat Producers' filed a petition with the Iowa Board of Railroad Commissioners to change the rates on feeder lambs and sheep. The petition was directed at the Iowa Tariff Schedule, and no railroad was named as defendant. Iowa cattlemen had enjoyed the economic advantage of feeder cattle rates, and sheep growers

¹ Ibid., pp. 344-48; and Hallaces' Farmer, December 20, 1907, p. 1471.

wanted the same privilege. Feeder rates were lower than fat stock rates. Feeder cattle, purchased in Western range states by Iowa stockmen, were fattened in Iowa feed lots, then sold to packers. When the feeder cattle were shipped to Iowa farms or feed lots, they carried a feeder rate grouping or classification which was 75 per cent of the fat cattle rate. The designation of feeder was declared by the purchaser at the point of purchase, or the owner at the shipping point in order to qualify for the rate. Obviously the destination would be of importance when such declaration was made. This rate encouraged feed lot operations in Iowa and was one of the reasons Iowa sold more cattle than any other state.

The sheep growers of Iowa wanted the same economic advantage enjoyed by the cattle raisers. The petition was unopposed, and arguments stressed the economic opportunity such a change would mean to Iowa sheep growers and ultimately to the railroads. The board received the case in November, 1907, and ruled on March 25, 1908. They agreed that the change in grouping should apply to feeder sheep, and they should be shipped at the 75 per cent of fat sheep rate. This ruling applied on intrastate shipments from Sioux City, and Council Bluffs. But in order to maintain competition with the yards in Iowa, Omaha and the railroads, attempting

to solicit business, also applied the feeder designation to interstate shipments handled into Omaha and later Kansas City.¹ Once again careful presentation by the Corn Belt Meat Producers' was successful. The desired rate reduction was achieved and shippers were saved money.

Later that year, June 1, 1908, the Corn Belt Meat Producers' filed a petition with the Interstate Commerce Commission for reduction of rates from Iowa points to Chicago, for a regrouping of Western Iowa rates, and for in-transit feeder privileges. Earlier actions of the Association had been strictly intrastate. In this petition they turned their attention to interstate rates, and they opened the question of interstate discrimination which had been discussed repeatedly during the last half decade. The petition was addressed to the Burlington railroad, but all railroads serving Iowa were represented at the hearing.² The Association was represented by Clifford Thorne. Also appearing, as friends for the defendant, were C. A. Clark and C. H. E. Boardman, representing the Iowa packers. They presented

¹ Thirty First Annual Report of the Board of Railroad Commissioners, for the year ending December 7, 1908 (Des Moines: State of Iowa, 1909), p. 444.

² Interstate Commerce Commission Reports, Volume XVII, Decisions of the Interstate Commerce Commission of the United States, June, 1908 to February, 1910 (Washington: Government Printing Office, 1910), pp. 531-39.

evidence against any rate reduction from Iowa points to Chicago. The Iowa packers, who paid 10 to 20 per cent less for livestock than the Chicago packing houses, even with shipping charges, did not want the further competition which would result from rate reduction to the Chicago market. The Iowa packers even accused the officers of the Corn Belt Meat Producers' of receiving handouts and bribes from the Chicago meat packers. The Iowa packers appeared before the ICC to argue against any lowering of freight rates because any reduction would certainly harm an already small local packing industry.¹

The complainant's petition requested three changes in rates: the feeding-in-transit privilege which was denied Iowa shippers, but accorded to territory west of the Missouri River; a general regrouping of Iowa rates along the Missouri River to be in line with Nebraska rates; and reduction of rail rates in Iowa which were alleged higher than rates in Illinois and Wisconsin.

The feeding-in-transit privilege allowed the shipper to buy range cattle, ship them to a farm or feed lot at the

¹A. Bykes, "President's Annual Address," Joint Session of the Annual State Farmers' Institute and Corn Belt Meat Producers' Association, Tenth Annual Iowa Yearbook of Agriculture, Part IV (Des Moines: Iowa Department of Agriculture, 1910), p. 111-13.

feeder rate, feed the cattle for a period of time to fatten them, and then ship them to the market at the original feeder rate plus an additional charge for the privilege, and a local rate for the weight which the cattle had taken on in the feeding process. The lower reshipment privilege was denied the Iowa feeder but accorded to Nebraska feeders. Iowans claimed this was discrimination. The ICC held there was unlawful discrimination and ordered that Iowa shippers should have the feeding-in-transit privilege.¹

The primary point in the complainant's case was the charge that livestock rates from Iowa points to Chicago were excessive. The main support for this contention was again the charge of discrimination. Clifford Thorne for the complainant relied mainly on comparisons of livestock rates from ten mile wide zones, beginning 150 miles from Chicago. All stations within these zones were used to arrive at an average rate for cattle, hogs and sheep shipped to Chicago from each zone. His findings showed that Iowa points paid higher rates than comparable points in Wisconsin and Illinois.²

¹Interstate Commerce Commission Reports, Volume XIV, Decisions of the Interstate Commerce Commission of the United States, June, 1904 to December, 1908 (Washington: Government Printing Office, 1909), p. 377.

²Ibid., pp. 372-30.

Thorne's arguments concluded with the following:

. . . a railroad had no right to prefer one locality to another without justifying reason
. . . they should accord equally favorable rates to Iowa, unless they can show some valid excuse for not doing so.¹

The main railroad argument was lengthy and impressive. Their main point was that they lost money on livestock shipping because of the nature of the business. They pointed out that a special car was used with a shorter life expectancy than regular cars. Stock pens were required at loading stations, and cattle cars had to be cleaned at a cost of one dollar and twenty-five cents per car every third or fourth trip. Stock trains had to run faster, because of the twenty-eight hour law, and were therefore more expensive. And because they went faster, they were by necessity, shorter. The stock cars were returned empty so they yielded revenue only one way. It also cost more to transport livestock because livestock loaded lighter than other categories of freight. Cattle averaged about 24,000 pounds per car, and the average was somewhat less for hogs and sheep. Average loads of livestock did not weigh far from 20,000 pounds per car or ten tons. The average of all carload freight was from fifteen to eighteen tons, and some things like coal, grain and lumber loaded considerably heavier. The weight of stock cars was approximately sixteen tons, so the average stock car grossed,

¹ Ibid., p. 386.

freight and car, about twenty-six tons. Grain grossed about forty-one tons. Assuming the cost of moving a gross ton was the same it cost more to transport livestock than other freight.¹ The railroad argued that stock hauling was a losing proposition and any reduction would simply make the loss that much more and thereby hurt the railroads.

The commission report was lengthy and carefully written. It began by pointing out that Iowa surpassed all other states in the value of its livestock, and almost half of all the livestock cars that arrived in the Chicago Union Stock Yards in 1907 were from Iowa. If the rates asked for by the complainant were promulgated, it would involve ten dollars per car or a net loss to the defendants of more than \$1,000,000, so the issue was very important.² The commission first examined the major railroad argument, the question of profit and hauling livestock. In terms of the rail business from Iowa the essential question of profit had to deal with the question of the long haul at the commodity rate: so the commission examined other examples of the long haul. The Illinois Central, which hauled one-third coal and one-third grain, averaged, in the year ending June 30, 1907, 5.77 mills revenue per ton mile of freight, and had operating expenses of 57.26 per cent of total revenue. The Pennsylvania Railroad, which hauled 52 per cent coal, averaged 5.37 mills

¹ Ibid., pp. 336-90.

² Ibid., p. 378.

revenue per ton mile of freight, and its operating costs were 70.01 per cent of gross receipts. The Norfolk and Western Railroad hauled 58 per cent coal and averaged 4.95 mills revenue per ton mile of freight and incurred operating costs of 62.94 per cent of every dollar gross profit. In short, three different railroads which had a large percentage of long haul business at the commodity rate averaged 5.53 mills revenue per ton mile of freight and had an average operating expenditure of 66.74 per cent of gross receipts. According to railroad testimony, the long hauls made by the three different railroads were more profitable than stock hauling.¹

The obvious question, then, was how much revenue did the railroads serving Iowa receive for hauling livestock and what percentage of operating costs did they experience. The following table, showing five of the largest railroads serving Iowa indicates the average revenue for all freight and the average revenue received for livestock freight:

Largest railroads serving Iowa	Average revenue per ton mile of all freight hauled	Average revenue per ton mile of livestock hauled
Milwaukee Road	8.56 mills	1.41 cents
Chicago Northwestern	9.04 mills	1.47 cents
Chicago Great Western	6.56 mills	1.47 cents
Rock Island	9.53 mills	1.47 cents
Illinois Central	6.77 mills	1.17 cents

¹Ibid., p. 393.

It was apparent that Iowa railroads received more money hauling livestock than they averaged hauling other kinds of freight, and, contrary to their testimony they did not suffer unduly.¹

After careful consideration the ICC issued a ruling. The basic conclusion of the commission deserves mention because the philosophy of the commission regarding the role of the ICC in rate determination is so clearly described.

Interstate rates have not been established on any consistent theory. They are a process of growth; they have come into existence under the operation of various forces and conditions and are not by deliberate design. . . . This commission has no authority to establish general rate schedules. What we take off in one place we can not add in some other. Unless, therefore, the general result of all rates is to yield an undue revenue to the carrier, we should not reduce a particular rate simply because we might think, if establishing that rate de novo as part of a general scheme, that it ought to be somewhat lower or somewhat higher in proportion to others. The rate attacked must be so out of proportion as to be unreasonable or must be so discriminate as to be undue or must be unlawful for some other special reason.²

The ICC found the rates not to be unreasonable, but in fact, they argued the Iowa rates might have been just and reasonable when considered as a part of the general scheme of rates in Iowa. That the discrimination was not serious appeared from the prosperous condition of the livestock industry in Iowa.³ The ICC then found no need for a general reduction of rates in Iowa.

¹ Ibid.

² Ibid., pp. 323-24.

³ Ibid., p. 325.

The ICC did however, order the regrouping as requested in the petition. This regrouping meant the higher Nebraska rate which had applied to the eastern 150 miles out of Omaha was reduced to apply only fifty and seventy-five miles east of the Missouri River, at which point the lower eastern rate would be applied. The commission pointed out that this regrouping would solve some of the alleged discrimination by reducing rates in western Iowa in a belt from 300 to 400 miles from Chicago.¹

Even though the ICC did not reduce Iowa rates in general, they did attempt to solve two other problems brought to their attention. This entire case was significant because when real discrimination existed, the Corn Belt Meat Producers' provided the money, support and the leadership to bring the matter to the ICC and were successful in solving the problem.

Their success seemed short lived, however. Wallaces' Farmer in December, 1908, reported that the railroads had yet to comply with the earlier ICC order.² Finally, when the regrouping was affected, the railroads raised the rate on hogs. The Corn Belt Meat Producers' promptly appealed the case to the ICC, and once again Clifford Thorne represented

¹ ICC report, Vol. XVII, op. cit., p. 536.

² Wallaces' Farmer, December 18, 1908, p. 1567.

the Association. The complainant alleged three things: that the feeding-in-transit order had been ignored by the railroads; that when the railroads finally complied with the regrouping order, they countered the reduced rate by raising the rates on hogs; and that the railroads ought to establish double deck car rates for sheep that would be roughly the same as single deck rates for fat cattle.¹ The case was handled rather quickly, and the railroads serving western Iowa were ordered to comply with the feeding-in-transit order of June 27, 1908. Sheep rates were established for double deck cars, with the full agreement of the railroads, and were comparable to fat cattle rates in single deck cars. Regarding the regrouping of cattle rates, the ICC issued an opinion clearly related to the earlier decision describing the philosophy of rate determination and the effort of the ICC to function within this philosophy. The ICC pointed out that the regrouping had been decided not on cattle rates alone, but rather on all livestock rates, particularly the combined cattle and hog rates. If hog rates were advanced after regrouping, then the entire balance of livestock rates changed, and cattle rates should have been reduced even more.² Therefore, when the railroads

¹ICC Reports, Vol. XVII, op. cit., pp. 534-38.

²Ibid., pp. 33-34.

raised hog rates, they had defeated the purpose of the regrouping order. The ICC ordered the hog rates reduced to the pre-regrouping level. Once again the Corn Belt Meat Producers' had provided the money and leadership necessary to correct problems relative to the business of shipping livestock to market.

In 1910 the Congress of the United States passed the Mann-Elkins Act, which further amended the Interstate Commerce Act of 1887 and gave the Interstate Commerce Commission the power to suspend rate increases pending investigation. Almost as if to test this new amendment, the nation's railroads announced a general advance in rates to take effect August 1, 1910. The advance would have cost the shippers of Iowa over \$2,000,000 per year. The ICC suspended the rate advances pending a full investigation. The commission held hearings in Chicago, New York and Washington, D.C. to determine the need for such a rate advance.¹ The burden of proof for such a rate advance was on the railroads, and a great deal of testimony was taken from shippers' groups who argued against such need. The Corn Belt Meat Producers' and the Farmers' and Grain Dealers Association

¹Sykes, "President's Annual Message," 1910, op. cit., pp. 107-08.

filed arguments in Chicago, as did other interested Iowa groups. In February, 1911, the ICC refused to allow the rate advances on the ground that the railroads had failed to show any need for such an increase.¹ The Corn Belt Meat Producers' was the only stockmen's organization which appeared before the ICC hearing in Chicago, and they claimed the ICC refusal to allow the rate advance was largely because of the facts presented by their association. However, this claim seems doubtful because the major evidence apparently came in the New York and Washington hearings.² No matter, the value of the Mann-Elkins Act was clearly demonstrated to the shippers of the United States and Iowa, and this act made possible the reversal of the railroad rate advance by the ICC.

The value of this suspension provision was again demonstrated in the summer of 1911 when the railroads announced a rate increase of stockers and feeders to the level of fat stock. The Corn Belt Meat Producers', the

¹ A. Lykes, "President's Annual Message," Joint Session of the Annual State Farmers' Institute and Corn Belt Meat Producers' Association, Twelfth Annual Iowa Yearbook of Agriculture, Part IV (Des Moines: Iowa Department of Agriculture, 1912), p. 120.

² A. Lykes, "President's Annual Message," Joint Session of the Annual State Farmers' Institute and Corn Belt Meat Producers' Association, Eleventh Annual Yearbook of Agriculture, Part IV (Des Moines: Department of Agriculture, 1911), pp. 134-35.

officers of the livestock exchanges, and the American Live Stock Association filed complaints with the Interstate Commerce Commission to stop the advance. The request was granted: the rate increase suspended, and hearings scheduled. Three hearings were held in Omaha, Kansas City, and Chicago.¹ The careful work of the Commerce Council (Clifford Thorne, formerly attorney for the Corn Belt Meat Producers') for the Iowa Board of Railroad Commissioners, was instrumental in providing evidence which showed no need for the advance. Again, by careful preparation any rate increase had been avoided, and the active defense of shipper interests by the Corn Belt Meat Producers' was successful.² Later in 1915 when another rate increase was proposed, the association, with other shipper groups and interested parties, presented evidence and petitions opposing the rate advance, and the ICC once again refused to allow the increase.³

Throughout these early years the Corn Belt Meat Producers' opposed rate advances and sought rate reductions on the basis of discrimination. Using comparative studies as evidence, they sought equal treatment with other shippers and other stockmen. But as the ICC gained more authority,

¹Ibid., pp. 123-24.

²Wallace, loc. cit.

³Ibid.

more national equality emerged and rate battles experienced a subtle change. The rate advances sought in 1915 and later in 1917 were sought on the basis of a reasonable or fair rate of return on the railroad investment. In other words, the railroads began to argue that they needed more money because of their investment. This argument required a different kind of defense and extensive knowledge of railroad valuation.¹

As early as 1910 the Corn Belt Meat Producers' raised the question of maintenance of high freight rates to pay dividends on millions of dollars of "watered stock."² In 1912 the association went on record recommending a physical valuation of railroads in order to have some basis of judging "proper rate for railroads to charge."³ The Congress passed such national legislation in 1913, the Valuation Act. In 1914 the organization pushed for valuation of state railroads and for the first time the Corn Belt Meat Producers' began to consider the question of fair taxes. Clifford Thorne, chairman of the Iowa Board of Railroad Commissioners, pointed out that Iowa had the third highest total railroad mileage in the nation, and yet Iowa railroads paid the fourth lowest tax

¹Wallace, op. cit., p. 450.

²Dykes, 1910, loc. cit.

³Dykes, 1912, op. cit., p. 125.

bill in the nation. Only North Dakota, Wyoming, and Vermont had lower railroad taxes.¹ However, taxes were only a sidelight to the main issue. What should determine rail rates, and how should this determination be made? The Corn Belt Meat Producers' wanted rate levels tied to the idea of a fair return on investment, and they wanted the ICC to function in the role of determinator. Any determination of rates tied to investment would hinge on an evaluation of railroad assets. However, the World War intervened, and the battle of evaluation became sidetracked and forgotten until the 1920's. By that time the struggle had become the goal of other agricultural organizations that were national in character, and the local specialized organizations became lost in the shuffle.

The early rate fights were based on the question of the railroads' discrimination against the shipper of a state or class. The early struggles were properly the battleground or arena of the local and state organizations such as the Corn Belt Meat Producers'. And in this arena the Corn Belt Meat Producers' functioned as the champion of the stock shippers

¹Leiford Thorne, "Railroad Valuation and Rate Advances," Annual Meeting of the Corn Belt Meat Producers' Association, Fourteenth Annual Yearbook of Agriculture, Part IV (Des Moines: Iowa Department of Agriculture, 1914), pp. 601-03; and "Resolutions," Annual Meeting of the Corn Belt Meat Producers' Association, Fourteenth Annual Yearbook of Agriculture, Part IV (Des Moines: Iowa Department of Agriculture, 1914), pp. 652-54.

in their battles with the railroads. The association was not simply the enemy of the railroad, but rather sought means to promote the cause and case of the stock shipper. When the authority of the ICC was broadened and the question of discrimination settled, then the rate question moved into a different arena and new champions emerged. The Corn Belt Meat Producers' faded away as the issues of rate regulation changed.

CHAPTER VI

MARKETING

Marketing was the process of selling livestock. It entailed gathering animals in a market area, usually the Chicago Union Stock Yards, and selling them through a specialized company to whom the livestock were consigned. The cost of selling the livestock, the commission, and the expenses involved in transportation, feeding, caring and housing the livestock were deducted from the total received for the stock. Marketing costs like rail rates were fixed and could be anticipated. Probably the marketing cost that caused the greatest ill will among stockmen was the commission paid for selling the livestock. Marketing costs, unlike the other problems facing livestock producers in the early twentieth century, were such that a solution by direct action of the stockmen seemed worthy of consideration. In other words the stockmen could, by united action, perform a major part of the marketing task themselves. Livestock producer ownership of rail facilities was not only too difficult, but also an impractical solution to the problems of rail rates and service. The marketing process, however, was ideally suited for producer control of their own marketing machinery, and early in the life of the Corn Belt Meat

Producers', cooperative marketing was discussed and practiced.

In the early days the Corn Belt Meat Producers' worried most about commission charges. The early talk of the "beef trust" was largely dispelled by the report of the counsel for the Bureau of Corporations. The report, which examined the profit of the six largest packers--Swift, Armour, Morris, National Pack, Schwarzschild and Sulzberger Company, and Cudahy--found they received an average profit of 2.3 to 1.8 per cent of the sales of livestock which averaged ninety-nine cents profit per head slaughtered. The report stated this profit was "not exorbitant."¹ Later when the packers gained control of the yards, the question of excessive profit and low prices cropped up again. However, during the early years the major concern was commission charges. Twice, in 1905 and again in 1910, the Corn Belt Meat Producers' proposed increases in commission charges and were successful in voiding them.²

The major impetus for the development of cooperative marketing machinery apparently stemmed from discontent with commission charges, from the grading of stock by buyers, and from the absence of competition among dealers.³ Early

¹ Register and Leader, March 4, 1905, p. 1.

² Register and Leader, February 3, 1905, p. 3; and ibid., 1910, pp. cit., p. 111.

³ Register and Leader, pp. cit., p. 111.

development of livestock shipping cooperatives was slow. They began in 1904, but gained momentum during the years following World War I. In 1916 only fifty-seven shipping cooperatives had been organized, but by 1920 the number had grown to 610, at which point the American Farm Bureau Federation sponsored consolidation for more efficiency.¹ The tremendous increase from 1916 to 1920, really 1919 through 1920, provides an understanding of the reason for the slow beginning and the later mushroom-like growth. The slow beginning was due to the following conditions: most producers had full carloads or multiple carloads to ship, the service by the commission men was generally efficient, and Iowa producers had experienced general prosperity.² When some or all of these conditions were reversed, as they were in the post-war years, then growth of cooperation expanded tremendously.

During the early days of the Corn Belt Meat Producers' James Ryan had called for the development of cooperative packing plants within the state, but no mention was made of

¹ John A. Hopkins, Jr., Economic History of the Production of Beef Cattle in Iowa (Iowa City: The State Historical Society of Iowa, 1921), pp. 105-06.

² L. A. Foster, "Cooperative Live Stock Shipping," Fifteenth Annual Meeting of the Corn Belt Meat Producers' Association, Nineteenth Annual Iowa Yearbook of Agriculture, Part V (Columbus: Iowa Department of Agriculture, 1910), p. 106-110.

cooperative marketing associations.¹ Ryan identified the "beef trust" as the livestock producers' enemy. It followed logically that he would describe a solution to the problem which would be directed at the packers.

Not until 1907 did the Corn Belt Meat Producers' seek marketing cooperation as an answer to their problems. The organization of the Cooperative Live Stock Commission Company was an effort to deal with problems of commission payments, grading and other charges. Former Corn Belt Meat Producers' President, A. L. Ames, was elected President of the organization and one hundred members of the 1907 convention pledged to ship via the new organization. The cooperative would have saved the shippers approximately fifty cents per hundred weight in terms of dividends paid on the basis of patronage.² However, the cooperative was unsuccessful, and in 1910 it closed. It failed because stockmen and shippers had not patronized it. Without patronage the expected savings never materialized. In August 1910, the St. Louis Live Stock Exchange voted on the issue of commission increases. The increase failed to be adopted, but Hallaces' Farmer said the attempted advance was punishment for the cooperative venture.³

¹ Fort Scott Pressonian, January 18, 1904, p. 6.

² Hallaces' Farmer, December 20, 1907, p. 1491.

³ Hallaces' Farmer, September 13, 1910, p. 1211.

Despite a rate advance in 1912 by the Chicago Live Exchange, the Cooperative Livestock Commission Company was the only unilateral effort of the Corn Belt Meat Producers' to organize a shipping cooperative.

In 1912 a different approach to cooperative marketing was tried by the Texas Cattle Raisers' Association. This association was mostly concerned with raising and selling feeder cattle. They formed a sales directing agency which sought to cut out the middleman on stock. The process of distribution of feeders involved selling feeder cattle at a central market, either Omaha, Kansas City or Sioux City, to feeder operators. The sale was handled by a commission agency. The plan of the Texas Cattle Raisers' sought to collect and publish accurate information about the number of feeding cattle in the states. Using this data, the Texas Cattle Raisers' their sales-directing agency would coordinate the state organizations to bring about more direct sale of feeder cattle between breeders and feed lot operators. The purpose was to eliminate the commission paid on the sale of the feeder cattle to feed lot operators, hence the plan was much more attractive to the sellers of feeder cattle than to the purchasers. The plan enjoyed some success among the larger producers of the Corn

Producers' as the direct sale of carloads of feeder cattle was easy to negotiate.¹

In 1915 the growth and interest in cooperatives was stimulated by two circumstances: very low prices for cattle in 1914 and 1915 and the growing charge of packer control of the stockyards.² In 1915 the Corn Belt Meat Producers' helped organize a market Committee of the American National Live Stock Association. The committee was organized to eliminate unfair and uneconomical practices in the Chicago Union Stock Yards. It functioned more as an observer to protect the shipper than as a marketing agency. However, it was the first real effort to carefully assess the market conditions and to report on ways and means to improve them.³

An outgrowth of the Market Committee was the formation of a National Live Stock Shippers Protective League. It was composed of state and national associations of stockmen. It sought to intercede at the market place to protect the

¹ F. Hall, "Division of Markets, United States Department of Agriculture," Twelfth Annual Meeting of the Corn Belt Meat Producers' Association, Sixteenth Annual Iowa Yearbook of Agriculture, Part VIII (Des Moines: Iowa Department of Agriculture, 1915), pp. 442-52.

² Illinois Farmer, December 10, 1915, p. 1621.

³ F. L. Lingo, "Work of the Market Committee of the American National Live Stock Association," Fifteenth Annual Meeting of the Corn Belt Meat Producers' Association, Nineteenth Annual Iowa Yearbook of Agriculture, Part VII (Des Moines: Iowa Department of Agriculture, 1919), pp. 395-406.

interests of stock producers and was financed by individual contributions of five cents per stock car. The contributions were collected by the stock exchanges in the various markets. The motto of the organization provides the best insight into its function and goal ". . . in unity there is strength."¹ Again the organization was not a cooperative in the strict sense of the word, but it represented a cooperative effort to protect the interests of the shipper as a sort of guardian in the market place. The Corn Belt Meat Producers' was influential in the organization of the league and strongly backed its goals. To solve interstate marketing problems, multilateral cooperation was seemingly more effective than unilateral efforts.

World War I and the rigid controls under the Food Administration ended any further marketing cooperation for the duration. When the war ended, rigid controls were continued for a few months. In anticipation of the return to pre-war market conditions, in early 1919 the Corn Belt Meat Producers' created a Producers' Committee of Fifteen composed

¹A. Sykes, "President's Annual Message," Thirteenth Annual Meeting of the Corn Belt Meat Producers' Association, Seventeenth Annual Iowa Yearbook of Agriculture, Part VII (Des Moines: Iowa Department of Agriculture, 1917), p. 391.

of members of several producers' organizations. It was to meet with a similar committee of packers during the summer. The discussions were apparently fruitless, for in December the Producers' Committee voted to disband and turn the work over to the American Farm Bureau Federation.¹

The apparent indifference of the packers to cooperation with the Producers' Committee might have stemmed from the fact that the dominant packers had, by 1919, achieved ownership and control of the Chicago Union Stock Yards. This condition ended in 1920 when the Trust Department of the United States Attorney Generals' office initiated the Packers' Consent Decree ending packer domination and control of the stockyards. This decree was a prelude to the Congressional passage of the Packers and Stockyards Act of 1922 which recognized stockyards as public utilities and set up public regulation of them.²

The Corn Belt Meat Producers' responded to packer indifference by appointing a sub-committee to seek some

¹A. Lykes, "President's Annual Message," Sixteenth Annual Meeting of the Corn Belt Meat Producers' Association, Twentieth Annual Iowa Yearbook of Agriculture, Part VII (Des Moines: Iowa Department of Agriculture, 1920), pp. 460-64.

²Lewis Corey, Meat and Man: A Study of Monopoly, Unionism, and Food Policy (New York: The Viking Press, 1950), p. 107.

solution to the marketing problems of livestock production. The sub-committee recommended cooperative action, specifically the formation of a Corn Belt Cattle Feeders' Cooperative Association.¹ The association, founded in October, 1920, was intended to be interstate with membership limited to those engaged in cattle feeding. It was specifically a cooperative organization which, under Article Two, Section Sixteen of the Constitution, sought to "establish selling agencies . . . for members at the markets."² Its purpose, stated in Article One, Section One, was a fairly standard description of a cooperative.

To unite into a single body all cattle feeders of the Corn Belt states for cooperative and concerted action, to the end of putting the cattle feeding business on a sounder financial, industrial and economic basis.³

The organization was successful in enlisting support of Iowa feeders but had limited success in other states.

While the Corn Belt Cattle Feeders' was being organized, another group was organized with some promise of national identification. The Iowa Federated Shippers Association was

¹ L. C. Wallace, "Sub-Committee Report," Seventeenth Annual Meeting of the Corn Belt Meat Producers' Association, Twenty-First Annual Iowa Yearbook of Agriculture, Part VII (Des Moines: Iowa Department of Agriculture, 1921), p. 550.

² Ibid., p. 553.

³ Ibid., p. 551.

organized with the help of the Farm Bureau Federation. This organization showed promise and potential as the springboard for American Farm Bureau Federation consolidation of cooperatives into a national organization.¹

On October 8, 1920, the American Farm Bureau Federation created a Farmers Live Stock Marketing Committee of Fifteen composed of members of the successful organizations around the nation. A. Sykes of the Corn Belt Meat Producers' was appointed to the committee and was elected its Vice-chairman. The Committee of Fifteen was charged with investigation of cooperative marketing on a national scale.² The Committee recommended the creation of a Chicago Producers' Commission Association.

On June 19, 1922, the Chicago Producers' Commission was opened for business. Sykes was named a member of the board of directors and was elected its first President. The board of directors hired E. W. Doty as manager of the cooperative. The

¹J. A. Horlacher, "Cooperative Shipping," Nineteenth Annual Meeting of the Corn Belt Meat Producers' Association, twenty-third Annual Iowa Yearbook of Agriculture, Part VI (Des Moines: Iowa Department of Agriculture, 1923), p. 458.

²A. Sykes, "President's Annual Message," Eighteenth Annual Meeting of the Corn Belt Meat Producers' Association, twenty-second Annual Iowa Yearbook of Agriculture, Part VII (Des Moines: Iowa Department of Agriculture, 1922), pp. 204-05.

cooperative charged the same price as commission agencies but returned the surplus earnings to its members in patronage dividends.¹ The cooperative found the actual cost to market livestock was eight dollars per car as opposed to the regular commission charge of nineteen to twenty dollars per car.² The Chicago Producers' Commission was a great success. By December, 1922, their business represented 3 per cent of the total stockyard business for the entire year and 5.7 per cent of the hog business.³ The success of the association was partially the result of its national identification. The Farm Bureau was extremely careful not to give a false impression of their aims and goals in organizing the Chicago Producers' Commission. In their state convention, they

¹A. Sykes, "President's Annual Message," Nineteenth Annual Meeting of the Corn Belt Meat Producers' Association, Twenty-third Annual Iowa Yearbook of Agriculture, Part VI (Des Moines: Iowa Department of Agriculture, 1923), pp. 452-53.

²W. A. McKerrow, "Fundamentals of Cooperative Shipping and Selling," Eighteenth Annual Meeting of the Corn Belt Meat Producers' Association, Twenty-second Annual Iowa Yearbook of Agriculture, Part VII (Des Moines: Iowa Department of Agriculture, 1922), pp. 530-35.

³S. L. Doty, "Co-operative Marketing Agencies," Nineteenth Annual Meeting of the Corn Belt Meat Producers' Association, Twenty-third Annual Iowa Yearbook of Agriculture, Part VI (Des Moines: Iowa Department of Agriculture, 1923), pp. 479-81.

clearly defended and explained the role they played in 1922. The President J. R. Howard described their role.

The Farm Bureau is not a marketing organization . . . we establish committees whose members comprise representatives from various successful organization, for the study of grain, livestock, dairy, fruit, and wool marketing.¹

The Farm Bureau was not attempting to usurp any organization's base or area of support, but leadership of cooperative marketing fell to the Farm Bureau because of their national identification. Some organizations, such as the National Live Stock Association, were national but were too narrow in their membership. Others, at the state level, were unable to function well in a national capacity because their membership was statewide.

The problem of the Corn Belt Meat Producers' fell into the second category. Their effort to function as a cooperative was hampered because they were a state organization--powerful and strong but still a state organization. There appeared to be many organizations with problems similar to those of the Corn Belt Meat Producers', and the Farm Bureau Federation functioned as the bonding agent to bring them together.

¹J. R. Howard, "Address of the President," Third Annual Iowa Farm Bureau Federation, Twenty-second Annual Iowa Yearbook of Agriculture, Part V (Des Moines: Iowa Department of Agriculture, 1922), pp. 338-432.

Both the efforts of the Corn Belt Meat Producers' to unilaterally build a cooperative marketing agency, and finally their cooperation with others to mutually solve common problems seem to preview the end of the Corn Belt Meat Producers'. The appearance of the American Farm Bureau Federation in the post-war period gave agriculturalists a common national voice, and this organization as well as others that were specialized, provided an avenue for solutions to those production problems unique to each segment of the industry. Hence the Corn Belt Meat Producers' could function at neither level. It could not provide a national voice because it was a state organization. Neither could it provide adequate expression of specialized problems because it was too general in its membership. The result was the end of the organization. The ending was not abrupt but came slowly and gradually.

CHAPTER VII

CONCLUSION

The purpose of this study has been to analyze and evaluate the efforts of the Corn Belt Meat Producers' Association to solve the economic problems facing Iowa livestock producers in the early years of this century. The task would have been infinitely easier had the complete records of the Corn Belt Meat Producers' been preserved.

Unfortunately, a zealous housecleaning in 1961 of the basement of the Wallaces' Farmer publishing company in Des Moines destroyed the complete records of the organization.

The economic difficulties faced by the livestock producers of Iowa in the early 1900's were partly the result of the revolution in Iowa livestock production which had occurred in the 1880's and 90's. The revolution helped create the dependence of the Iowa stockmen upon a distant market. The process of getting to the market and the national character of the market place were the sources of much of the trouble faced by Iowa stock producers at the turn of the century. The growing severity of these troubles finally convinced Iowa stockmen that salvation, relief and solution to their problems might be found in collective action.

The membership of the Corn Belt Meat Producers' provides an insight into their aims. It was not an organization of radicals; the members were successful producers. They sought no change of the economy, but rather they sought greater control of their own destiny within the economy. They sought also to make that economy perform more efficiently those tasks which affected their segment of the economy. They were producers who sought to improve and to make more efficient the tasks of the marketing process which affected them--transportation and sale of their livestock. To this end the Corn Belt Meat Producers' concentrated on three areas: the service problems of both the transportation and sale of livestock, the rail rates charged by the railroads and the problems of marketing in the stockyards.

Service problems were those aspects of transportation and sales which cost money to the shipper. They were generally either delay or mishandling. Although the Meat producers' attempted legislation to end delay, they were more successful when they used compromise and negotiation to influence the railroads or the stockyard officials. Many kinds of service problems were of such a nature that the individual shipper had little impact in securing and affecting a solution. The significant role played by the Corn Belt Meat Producers' in the service problems was that

it spoke with a single voice for most livestock shippers and producers. Hence, the railroads and stockyards were more likely to hear and heed this collective voice of shippers--the Corn Belt Meat Producers' Association.

Rail rates were a different problem. Throughout the first decade of its existence the Corn Belt Meat Producers' sought lower freight rates, both intrastate and interstate. They argued that railroads practiced discrimination against Iowa shippers. The Iowa Board of Railroad Commissioners and the Interstate Commerce Commission listened to the Corn Belt Meat Producers' and changed or lowered some freight rates. By 1915 equality of rates from zone to zone and from state to state had mostly been achieved. The battle of rates then moved from a question of comparison between regions and states to the question of fair rate of return on investment of the railroad as a standard measure for rate making. Again, as in the struggles with service problems, the significance of the Corn Belt Meat Producers' was its role of leadership for stock shippers.

Marketing was the only area in which the Corn Belt Meat Producers' sought change. Even then change concerned only a small part of the economy and not the entire economy. Earlier in the life of the organization the officers and others argued for development of cooperative marketing to

replace the commission agency. The purpose was to reduce the cost and better supervise the pricing, grading and sale of the animals in order to give the producer a larger share of the proceeds. The idea was tried but with limited success. In later years the Corn Belt Meat Producers' joined other producers' organizations to cooperatively market their stock. When they planned joint marketing efforts, they enjoyed moderate success; however, in unilateral efforts they were often unsuccessful because they could not compel member participation and often not enough shippers were interested. The success of the Corn Belt Meat Producers' in changing the marketing structure was limited. This limitation might indicate less member interest in this area than others, and it might also explain the lack of leadership in this capacity.

Certainly one conclusion of this study is that the Corn Belt Meat Producers' was not monolithic: it could not compel its members to do anything. The result of this lack of control or discipline was an oddly democratic process of highlighting areas of common concern and at the same time rejecting some solutions. For example in 1909, when shippers were requested to provide the officers with information about late trains to present to Congress for support for legislation, the response was very limited and negotiation was

undertaken rather than legislation. Repeated requests for a five day a week market by the officers failed as members continued to ship when they pleased, mainly on Monday and Wednesday. The failure of members to use the cooperative marketing program in 1907 caused it to fail. Yet they were willing to market cooperatively in 1922. In other words, membership helped determine most of the goals and objectives by a seemingly selective process of participation or nonparticipation.

The life of the organization also seems to reflect this process of selection. Reasons for the end of the Corn Belt Meat Producers' are not clear. It faded away or disappeared in 1933: however, the disappearance was clearly foreshadowed during the 1920's. During the 20's membership declined steadily. Obviously member selection was at work. Whatever the case the Corn Belt Meat Producers' ceased to exist in 1933. Perhaps it faded away because its membership was state based while its attention was mostly directed on national and interstate problems. Because their base of membership was the state, they could expect to exert only limited pressure at the national level, and as other organizations with national membership developed the Corn Belt Meat Producers' members changed organizations. Obviously the members of the Corn Belt Meat Producers' did not fade

away because they represented the successful in the livestock industry. Therefore, the organization must have ended as its members, ceasing to find solutions to their problems within the ranks of the Corn Belt Meat Producers', left the organization.

Another reason for its disappearance might well grow out of the grouping of specialized livestock producers within the same organization, that is, cattle, sheep and hog producers. When the specialized organizations of these producers sought answers to the problems of production within their own area, they tended to enhance the differences between the producers. The differences in producing the different kinds of livestock divided the attention and limited the effectiveness of the Corn Belt Meat Producers', and by comparison, strengthened the position of the specialized groups of producers. That is, the Corn Belt Meat Producers' were united when facing a common problem such as the railroad, but when the common problem was solved or eliminated, then disunity began to develop because of the differences between the producers of various kinds of livestock and the problems each producer faced.

Finally another significance of the Corn Belt Meat Producers' might be its importance within the framework of the Progressive Era. The Corn Belt Meat Producers' was first

and foremost a producers' organization, and its program was primarily economic. The general prosperity of the early 1900's seemed a lure to the farmer to attempt to get an even larger share of the business profits of agriculture for himself. The economic direction of almost all of the aims of the Corn Belt Meat Producers' reflects this attitude. In one sense, at least, the Corn Belt Meat Producers' seem rather typical of the rural organizations during the Progressive Era. They gave verbal support to the old reform goals of tariff reduction, farm credit laws, trust regulation and banking reform, but their major attention was economic. Not economic reform, but the business economics and the question of profit, and how to increase it. Indeed their major efforts were directed to reducing the costs of production to enable them to make more money. Whether reduction of freight rates--those service considerations which cost money--or solutions to animal disease, the major emphasis was reduction of the costs of production. Later in the life of the Corn Belt Meat Producers' as the direction of cost reduction shifted, the organization faded away seemingly because it was unable to make a contribution in this new direction.

because of the limitations of this study or the unavailability of information or materials, certain areas,

inclusive enough for further study, could not be explored. However, recommendations can be made. Probably the first recommendation to emerge after consideration of this study would be the suggestion that an organization or group be created--either as a part of the universities in the state or aligned with the various professional organizations of the academic community--to collect and preserve the papers and records of groups and of individuals before they are lost, burned or simply misplaced by misdirected housecleaning measures.

Certainly this study provides only the broadest outlines of the organization. Hopefully, it will open questions for future study. Some investigation might profitably be made of the membership of the Corn Belt Meat Producers'. Certainly a significant question was the relationship of W. D. Wallace to the Corn Belt Meat Producers'. When the Wallace papers become available for study, this relationship might be pursued. Once these papers are available, the political impact of the organization which was certainly significant might be explored.

The Corn Belt Meat Producers' Association of Iowa appears as an economic effort by a segment of the economy in

order to improve its position within the economic system. This effort, centered in agriculture, was no different than efforts by other producers to influence their economic destiny. It was an effort of the successful to become more successful.

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